C/007/042 Incoming
cc: James

Sunnyside Cogeneration Associates

P.O. Box 10, East Carbon, Utah 84520 • (435) 888-4476 • Fax (435) 888-2538

April 15, 2013

RECEIVED
APR 16 2013
DIV. OF OIL, GAS & MINING

Daron Haddock
Utah Division of Oil, Gas & Mining
1594 W. North Temple, Suite 1210
Salt Lake City, Utah 84116

RE: 1st Quarter 2013 Inspection Report
Star Point Refuse Pile C/007/042

Dear Daron:

Please find enclosed a copy of the First Quarter 2013 Inspection Report for the Star Point refuse pile, impoundments, and excess spoil area.

Should you have any questions, please contact Rusty Netz or myself at (435)888-4476.

Thank You,

Richard Carter
Agent For
Sunnyside Cogeneration Associates

c.c. Rusty Netz
Plant File

QUARTERLY INSPECTION FORM – IMPOUNDMENT

Permit Number: C/007/042
Mine Name: Star Point Waste Fuel
Mine Operator (Permittee): Sunnyside Cogeneration Associates
MSHA ID Number: N/A
Impoundment Name: **Sediment Pond #005**
UPDES Permit Number: UTG040025

Inspection Date: March 28, 2013
First Quarter 2013
Inspector: Rusty Netz
Signature: Rusty Netz

IMPOUNDMENT INSPECTION

1. Describe any appearance of any instability, structural weakness, or any other hazardous condition.

None

a. Sediment storage capacity, including elevation of 60% and 100% sediment storage volumes, and estimated average elevation of existing sediment.

Total Pond Volume = 6.96 Acre-feet
Pond bottom elevation = 7387.3
100% Sediment Storage Volume = 2.42 acre-feet at Elevation 7394.9
60% sediment Storage Volume = 1.45 acre feet at Elevation = 7393
Existing Average Sediment Elevation = 7392 +/-

b. Principle and emergency spillway elevations.

Primary Dewatering Orifice = 7394.9
Emergency Spillway Elevation = 7401.3

2. Field Information

Provide current water elevation, whether pond is discharging, type and number of samples taken, monitoring/ instrumentation information, inlet/ outlet conditions, or other related activities associated with the pond including but not limited to sediment cleanout, pond decanting, embankment erosion/ repairs, monitoring information, vegetation on outslopes of embankments, etc.

Pond had some water. No samples were taken
Sediment levels were reasonably low. Pond did not require decanting.
Embankment conditions were good. Vegetation on outslopes was adequate.
Inlet / Outlet conditions were good. No structural or hazardous conditions were observed.

3. Field Evaluation.

Describe any changes in the geometry of the impounding structure, average and maximum depths and elevation of impounded water, estimated sediment or slurry volume and remaining storage capacity, estimated volume of water impounded, and any other aspect of the impounding structure affecting its stability or function which has occurred during the reporting period

No recent changes in the geometry of the structure have been observed
Very little water was impounded
Sediment level was good.
No other aspects were observed to affect stability or functionality.

QUARTERLY INSPECTION FORM – IMPOUNDMENT

Sediment Pond 005

CERTIFIED REPORT
IMPOUNDMENT EVALUATION

If you answer NO to these questions, please explain under comments

1. Is impoundment designed and constructed in accordance with the approved plan? YES
2. Is impoundment free of instability, structural weakness, or any other hazardous conditions? YES
3. Has the impoundment met all applicable performance standards and effluent limitations from the previous date of inspection? YES

COMMENTS/ OTHER INFORMATION

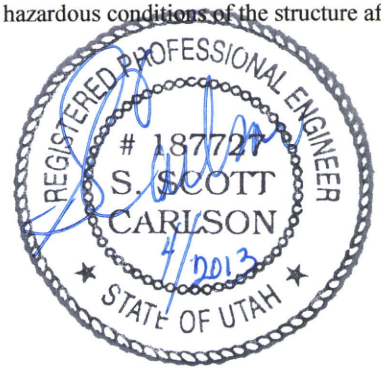
None

CERTIFICATION STATEMENT:

I hereby certify that: I am experienced in the construction of impoundments; I am qualified and authorized in the State of Utah to inspect and certify the condition and appearance of impoundments in accordance with the certified and approved designs for this structure; that the impoundment has been maintained in accordance with approved designs and meets or exceeds the minimum design requirements under all applicable federal, state and local regulations; and that inspections and inspection reports are made by myself or under my direction and include any appearances of instability, structural weakness or other hazardous conditions of the structure affecting stability in accordance with the Utah R645 Coal Mining Rules.

By: S. Scott Carlson, PE, Twin Peaks, P.C.
P.E. Number & State: 187727 UTAH

Affix Signature, Stamp and Date



QUARTERLY INSPECTION FORM – IMPOUNDMENT

Permit Number: C/007/042
Mine Name: Star Point Waste Fuel
Mine Operator (Permittee): Sunnyside Cogeneration Associates
MSHA ID Number: N/A
Impoundment Name: **Sediment Pond #006**
UPDES Permit Number: UTG040025

Inspection Date: March 28, 2013
First Quarter 2013
Inspector: Rusty Netz
Signature: Rusty Netz

IMPOUNDMENT INSPECTION

1. Describe any appearance of any instability, structural weakness, or any other hazardous condition.

None

a. Sediment storage capacity, including elevation of 60% and 100% sediment storage volumes, and estimated average elevation of existing sediment.

Total Pond Volume = 2.6 Acre-feet
Pond bottom elevation = 7132.7
100% Sediment Storage Volume = 0.76 acre-feet at Elevation 7140.7
60% sediment Storage Volume = 0.45 acre feet at Elevation = 7138.8
Existing Average Sediment Elevation = 7135 +/-

b. Principle and emergency spillway elevations.

Primary Dewatering Orifice = 7140.7
Emergency Spillway Elevation = 7147.2

2. Field Information

Provide current water elevation, whether pond is discharging, type and number of samples taken, monitoring/ instrumentation information, inlet/ outlet conditions, or other related activities associated with the pond including but not limited to sediment cleanout, pond decanting, embankment erosion/ repairs, monitoring information, vegetation on outslopes of embankments, etc.

Pond had some water. No samples were taken
Sediment levels were reasonably low. Pond did not require decanting.
Embankment conditions were good. Vegetation on outslopes was adequate.
Inlet / Outlet conditions were good. No structural or hazardous conditions were observed.

3. Field Evaluation.

Describe any changes in the geometry of the impounding structure, average and maximum depths and elevation of impounded water, estimated sediment or slurry volume and remaining storage capacity, estimated volume of water impounded, and any other aspect of the impounding structure affecting its stability or function which has occurred during the reporting period

No recent changes in the geometry of the structure have been observed
Very little water was impounded
Sediment level was good.
No other aspects of the impounding structure were observed that could affect its stability or functionality.

QUARTERLY INSPECTION FORM – IMPOUNDMENT

Sediment Pond 006

CERTIFIED REPORT
IMPOUNDMENT EVALUATION

If you answer NO to these questions, please explain under comments

1. Is impoundment designed and constructed in accordance with the approved plan? YES
2. Is impoundment free of instability, structural weakness, or any other hazardous conditions? YES
3. Has the impoundment met all applicable performance standards and effluent limitations from the previous date of inspection? YES

COMMENTS/ OTHER INFORMATION

None

CERTIFICATION STATEMENT:

I hereby certify that: I am experienced in the construction of impoundments; I am qualified and authorized in the State of Utah to inspect and certify the condition and appearance of impoundments in accordance with the certified and approved designs for this structure; that the impoundment has been maintained in accordance with approved designs and meets or exceeds the minimum design requirements under all applicable federal, state and local regulations; and that inspections and inspection reports are made by myself or under my direction and include any appearances of instability, structural weakness or other hazardous conditions of the structure affecting stability in accordance with the Utah R645 Coal Mining Rules.

By: S. Scott Carlson, PE, Twin Peaks, P.C.
P.E. Number & State: 187727 UTAH

Affix Signature, Stamp and Date

QUARTERLY INSPECTION FORM – IMPOUNDMENT

Permit Number: C/007/042
Mine Name: Star Point Waste Fuel
Mine Operator (Permittee): Sunnyside Cogeneration Associates
MSHA ID Number: N/A
Impoundment Name: **Sediment Pond #009**
UPDES Permit Number: UTG040025

Inspection Date: March 28, 2013
First Quarter 2013
Inspector: Rusty Netz
Signature: Rusty Netz

IMPOUNDMENT INSPECTION

1. Describe any appearance of any instability, structural weakness, or any other hazardous condition.

None

a. Sediment storage capacity, including elevation of 60% and 100% sediment storage volumes, and estimated average elevation of existing sediment.

Total Pond Volume = 7.4 Acre-feet
Pond bottom elevation = 7435.0
100% Sediment Storage Volume = 2.02 acre-feet at Elevation 7439.3
60% sediment Storage Volume = 1.21 acre feet at Elevation = 7437.7
Existing Average Sediment Elevation = 7437 +/-

b. Principle and emergency spillway elevations.

Primary Dewatering Orifice = 7439.8
Primary Spillway Elevation = 7445.5
Emergency Spillway Elevation = 7446.5

2. Field Information

Provide current water elevation, whether pond is discharging, type and number of samples taken, monitoring/ instrumentation information, inlet/ outlet conditions, or other related activities associated with the pond including but not limited to sediment cleanout, pond decanting, embankment erosion/ repairs, monitoring information, vegetation on outslopes of embankments, etc.

Pond had some water. No samples were taken. Pond did not require decanting.
Sediment levels were reasonable.
Embankment conditions were good. Vegetation on outslopes was adequate.
Inlet / Outlet conditions were good. No structural or hazardous conditions were observed.

3. Field Evaluation.

Describe any changes in the geometry of the impounding structure, average and maximum depths and elevation of impounded water, estimated sediment or slurry volume and remaining storage capacity, estimated volume of water impounded, and any other aspect of the impounding structure affecting its stability or function which has occurred during the reporting period

No recent changes in the geometry of the structure have been observed
Very little water was impounded Sediment level was good.
No other aspects of the impounding structure were observed that could affect its stability or functionality.

QUARTERLY INSPECTION FORM – IMPOUNDMENT

Sediment Pond 009

CERTIFIED REPORT
IMPOUNDMENT EVALUATION

If you answer NO to these questions, please explain under comments

1. Is impoundment designed and constructed in accordance with the approved plan? YES
2. Is impoundment free of instability, structural weakness, or any other hazardous conditions? YES
3. Has the impoundment met all applicable performance standards and effluent limitations from the previous date of inspection? YES

COMMENTS/ OTHER INFORMATION

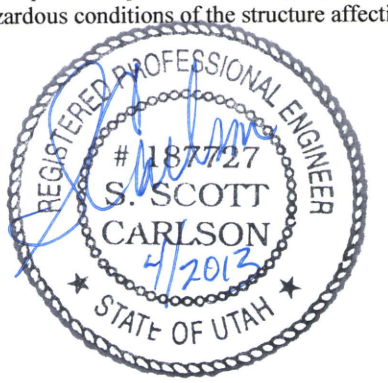
None

CERTIFICATION STATEMENT:

I hereby certify that: I am experienced in the construction of impoundments; I am qualified and authorized in the State of Utah to inspect and certify the condition and appearance of impoundments in accordance with the certified and approved designs for this structure; that the impoundment has been maintained in accordance with approved designs and meets or exceeds the minimum design requirements under all applicable federal, state and local regulations; and that inspections and inspection reports are made by myself or under my direction and include any appearances of instability, structural weakness or other hazardous conditions of the structure affecting stability in accordance with the Utah R645 Coal Mining Rules.

By: S. Scott Carlson, PE, Twin Peaks, P.C.
P.E. Number & State: 187727 UTAH

Affix Signature, Stamp and Date



QUARTERLY INSPECTION FORM – REFUSE PILE

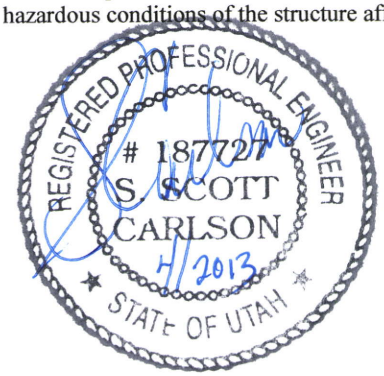
Permit Number: C/007/042
Mine Name: Star Point Waste Fuel
Mine Operator (Permittee): Sunnyside Cogeneration Associates
MSHA ID Number: Abandoned by MSHA Jan 2004
Facility Name: **Coarse Refuse Pile**

Inspection Date: March 28, 2013
First Quarter 2013
Inspector: Rusty Netz
Signature: Rusty Netz

1. Describe any changes in the geometry of the structure (as well as instrumentation, if any, used to monitor changes): **Refuse material is actively being excavated and removed from locations across the top of the pile**
2. Lift Height / Thickness Avg **15** Maximum **25** Elevation of Active Benches: **approximately 7480-7500**
3. Vertical angle of outslope(s) / Location(s) where measured **max 2:1 North, East and South faces**
4. Current estimated volume: **approx 3.5 Million Tons** Volume removed during year: **2012: approx. 286,478 tons**
5. Describe foundation preparation, (including the removal of vegetation, stumps, topsoil, and all organic material): **NA**
6. Describe Placement and compaction of fill materials (including an explanation of how compaction is confirmed): **N/A - Activities occurring at this time are associated with removal of refuse material**
7. Is there any evidence of fires or burning on the structure? (if Yes, specify extent, location , and abatement / extinguishment of such fires): **No evidence of fires observed**
8. Describe placement of underdrains and protective filter systems, and final surface drainage systems (report any seepage, including location, color, flow): **No underdrains exist. Current surface drainage is in place. No seepage is visible**
9. Describe any appearances of instability, structural weakness, and other hazardous conditions **No aspects of the Fill structure were observed that could affect its stability or functionality or which indicated hazardous conditions**
10. Please provide any other information pertaining to the stability of the structure (attach any photos taken during the inspection)
    a. Are there any cracks or scarps in crest? **NO none observed**
    b. Is there any detectable sloughing or bulging? **NO none observed**
    c. Do slope erosion problems exist? **NO some old erosion gullies exist on the outer slopes, but currently appear stable**
    d. Cracks or scarps in slope? **NO none observed**
    e. Surface movements? (valley bottom, hillsides) **NO none observed**
    f. Erosion of Toe? **NO none observed**
    g. Water impounded by structure? **NO none observed**
    h. Are diversion ditches stable? **YES appears reasonable**
    i. Is drainage positive? **YES surface runoff flows to culverts & ditches**
    j. Could failure of structure create an impoundment (provide description)? **No surface water flows exist in the vicinity**
    k. Are design standards established within the mining and reclamation plan for the disposal facility being met? **Yes**
    l. Proctor Determination: **none required**

I hereby certify that: I am experienced in the construction of earth and rock fills; I am qualified and authorized in the State of Utah to inspect and certify the condition and appearance of earth and rock fills in accordance with the certified and approved designs for this structure; that the fill structure has been maintained in accordance with the approved design and meets or exceeds the minimum design requirements under all applicable federal, state, and local regulations; and, that inspections and inspection reports are made by myself or under my direction and include any appearances of instability, structural weakness or other hazardous conditions of the structure affecting stability.

By: S. Scott Carlson, PE, Twin Peaks, P.C.
P.E. Number & State: 187727 UTAH



Affix Signature, Stamp and Date

INSPECTION AND CERTIFIED REPORT ON EXCESS SPOIL PILE OR REFUSE PILE

Permit Number: C/007/042
Mine Name: Star Point Waste Fuel
Mine Operator (Permittee): Sunnyside Cogeneration Associates
MSHA ID Number: NA
Facility Name: **Disposal Area**

Inspection Date: March 28, 2013
First Quarter 2013
Inspector: Rusty Netz
Signature: Rusty Netz

1. Describe any changes in the geometry of the structure (as well as instrumentation, if any, used to monitor changes): **No material was placed in this disposal area during the quarter**
2. Lift Height / Thickness Avg **40-60 ft** Maximum **60 ft** Elevation of Active Benches: **approximately 7480**
3. Vertical angle of outslope(s) / Location(s) where measured **max 4:1**
4. Total storage capacity: **145K cuyd** Remaining storage capacity **estimated 140K cuyd** Volume placed during year: **0**
5. Describe foundation preparation, (including the removal of vegetation, stumps, topsoil, and all organic material): **Organic material is removed as needed. No topsoil existed since this was a previously disturbed location**
6. Describe Placement and compaction of fill materials (including an explanation of how compaction is confirmed): **Material is generally granular by nature so it is placed, spread by dozer and compacted by wheel rolling**
7. Is there any evidence of fires or burning on the structure? (if Yes, specify extent, location , and abatement / extinguishment of such fires): **No evidence of fires observed**
8. Describe placement of underdrains and protective filter systems, and final surface drainage systems (report any seepage, including location, color, flow): **No underdrains exist. Surface drainage flows to adjacent ditches and to Sediment Pond #009. No seepage is visible**
9. Describe any appearances of instability, structural weakness, and other hazardous conditions **No aspects of the Fill structure were observed that could affect its stability or functionality or which indicated hazardous conditions**
10. Please provide any other information pertaining to the stability of the structure (attach any photos taken during the inspection)
    a. Are there any cracks or scarps in crest? **NO** — **none observed**
    b. Is there any detectable sloughing or bulging? **NO** — **none observed**
    c. Do slope erosion problems exist? **NO** — **erosion conditions are minimal**
    d. Cracks or scarps in slope? **NO** — **none observed**
    e. Surface movements? (valley bottom, hillsides) **NO** — **none observed**
    f. Erosion of Toe? **NO** — **none observed**
    g. Water impounded by structure? **NO** — **none observed**
    h. Are diversion ditches stable? **YES** — **appears reasonable**
    i. Is drainage positive? **YES** — **surface runoff flows to collection ditches**
    j. Could failure of structure create an impoundment (provide description)? **No surface water flows exist in the vicinity**
    k. Are design standards established within the mining and reclamation plan for the disposal facility being met? **Yes**
    l. Proctor Determination: **none required**
11. Provide copies of sample analysis for material placed in the fill. **No new material has been placed in this disposal area for several years.**

I hereby certify that: I am experienced in the construction of earth and rock fills; I am qualified and authorized in the State of Utah to inspect and certify the condition and appearance of earth and rock fills in accordance with the certified and approved designs for this structure; that the fill structure has been maintained in accordance with the approved design and meets or exceeds the minimum design requirements under all applicable federal, state, and local regulations; and, that inspections and inspection reports are made by myself or under my direction and include any appearances of instability, structural weakness or other hazardous conditions of the structure affecting stability.

By: S. Scott Carlson, PE, Twin Peaks, P.C.
P.E. Number & State: 187727 UTAH

Affix Signature, Stamp and Date